



STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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CHARLES R. COHEN
Director of Insurance

Former Director Susan Gallinger issued the following Circular Letter on July 20, 1988:

Circular Letter 88-1

TESTING OF OFFICERS AND EMPLOYEES OF TITLE INSURANCE AGENTS

July 20, 1988

It has come to my attention that there may be some confusion in the title insurance industry regarding which officers and employees of title insurance agencies are required to take and pass the Department's examination. A.R.S. § 20-1580(1) requires that every officer and employee of a title insurance agency "who intends to exercise the power and perform the duties of the agency" shall take and pass the Department's examination. A.R.S. § 20-1580(3) specifically exempts those employees who perform only clerical functions from the examination requirement.

In determining which employees exercise the power and perform the functions of the agency, we look to the definition of "title insurance agent" as provided in A.R.S. § 20-1562(7):

A domestic or foreign stock corporation authorized in writing by a title insurer to *solicit insurance and collect premiums and to issue or countersign policies* in its behalf. (Emphasis added).

The above definition indicates that any nonclerical employees of the agency who engage in the solicitation or marketing of title insurance, the collection of premiums, or the issuing or countersigning of policies must take and pass the Department's examination.

Since each title insurance agency is structured and operated differently, it is impossible for the Department to produce a list of those employees who must take and pass the examination. Rather, each title insurance agency has an obligation to review its organization to determine for itself which of its employees perform the duties

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described above. Please contact the Department's Licensing Section at (602) 912-8470 to schedule examinations.

Susan Gallinger
DIRECTOR OF INSURANCE